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**GOVERNMENT OF THE DISTRICT OF COLUMBIA**



**DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT**

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TESTIMONY OF  
**LEILA FINUCANE EDMONDS**  
ACTING DIRECTOR

**ON THE**

***BILL 17-095***  
***“HOUSING SUPPORT FOR TEACHERS ACT”***

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COMMITTEE ON HOUSING AND URBAN AFFAIRS  
THE HONORABLE MARION BARRY, CHAIR  
COUNCIL OF THE DISTRICT OF COLUMBIA

WEDNESDAY, JUNE 4, 2007

JOHN A. WILSON BUILDING  
1350 PENNSYLVANIA AVENUE, NW  
WASHINGTON, DC 20004  
10:00 A.M.

**GOOD MORNING, CHAIRMAN BARRY AND MEMBERS OF THE COMMITTEE ON HOUSING AND URBAN AFFAIRS. I AM LEILA FINUCANE EDMONDS, ACTING DIRECTOR OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD OR THE DEPARTMENT). HERE AT THE TABLE WITH ME TODAY ARE VICTOR SELMAN, CHIEF OPERATING OFFICER, AND ROBERT MULDERIG, DEPUTY DIRECTOR FOR RESIDENTIAL AND COMMUNITY SERVICES, WHO WILL ASSIST IN RESPONDING TO YOUR QUESTIONS.**

**I AM PLEASED TO BE HERE TODAY TO PROVIDE TESTIMONY ON BILL 17-095, “THE HOUSING SUPPORT FOR TEACHERS ACT OF 2007”.**

**DHCD HAS REVIEWED THIS LEGISLATION AND FEEL IT IS AN EXCELLENT TOOL AND INCENTIVE TO ATTRACT AND ENCOURAGE TEACHERS TO TEACH IN THE CRITICAL AREAS OF MATHEMATICS, SCIENCE AND SPECIAL EDUCATION AND TO LIVE IN THE DISTRICT. HOWEVER, DHCD HAS CONCERNS REGARDING THE IMPLEMENTATION AND MONITORING OF THESE BENEFITS FOR TEACHERS, SPECIFICALLY RELATED TO DHCD’S LIMITED ROLE.**

**AS STATED IN THE PROPOSED LEGISLATION, DHCD’S ROLE WILL BE TO (1) DISBURSE BOTH THE INITIAL GRANT BENEFITS OF UP TO \$10,000 AND THE ADDITION MONTHLY**

**STIPEND OF \$400 FOR TWO (2) YEARS, AS INSTRUCTED BY THE SUPERINTENDENT OF DC PUBLIC SCHOOLS (DCPS); (2) COLLECT GRANT FUNDS TO BE PAID BACK BY THE GRANTEES WHO VIOLATE THE FIVE (5)-YEAR COMMITMENT TO TEACH IN THE CRITICAL AREAS IN DC SCHOOLS; AND (3) TO MANAGE THE HOUSING SUPPORT FOR TEACHERS FUND (THE FUND). ALONG WITH THESE RESPONSIBILITIES, DHCD WOULD REVIEW THE FUND RESOURCES AND REQUEST ADDITIONAL FUNDING AS NEEDED, AND FILE SEMI-ANNUAL REPORTS WITH THE COMMITTEE ON HOUSING AND URBAN AFFAIRS.**

**DHCD HAS CONCERNS ABOUT THE OPERATIONAL ACTIVITIES AND WHETHER THE DEPARTMENT IS THE BEST ENTITY TO CARRY-OUT THIS BENEFIT FOR DCPS AND CHARTER SCHOOL TEACHERS. DHCD UNDERSTANDS THESE INCENTIVES AS A COMBINATION OF BOTH A HOUSING BENEFIT AND A NON-HOUSING RELATED BENEFIT FOR THE TARGETED TEACHERS. THE DEPARTMENT, SHOULD THE LEGISLATION PASS AS IS, WOULD BE ASKED TO MANAGE MONIES THAT ARE GIVEN BASED ON AGREEMENTS BETWEEN DCPS AND ITS EMPLOYEES (GRANTEES). ESSENTIALLY, THE DEPARTMENT WOULD BE MANAGING THE FLOW OF FUNDS, ALTHOUGH ALL DECISIONS FOR THE DISTRIBUTION OF THE FUNDS WOULD BE MADE BY DCPS. UNLIKE HPAP, WHICH HAS DEFINED HOUSEHOLD, INCOME**

**AND OTHER ELIGIBILITY REQUIREMENTS TO ENSURE THAT PUBLIC SUBSIDY REACHES FIRST-TIME HOMEBUYERS THAT ARE GREATEST IN NEED TO QUALIFY, THE PROPOSED LEGISLATION IS PURELY A SCHOOL SYSTEM FRINGE BENEFIT, FOR WHICH THE SUPERINTENDENT WILL MAKE A PRESUMABLY LIMITED NUMBER OF AWARDS BASED ON CERTAIN CRITERIA. FURTHERMORE, HPAP IS A LOAN FOR WHICH DHCD HAS A LIEN ON THE PROPERTY, THEREBY ENSURING THE DEPARTMENT'S SECURITY AND INVESTMENT. IF A BORROWER DEFAULTS, DHCD HAS THE OPPORTUNITY TO BE NOTIFIED IN TIME TO TAKE CORRECTIVE ACTION.**

**DHCD WOULD BE IN A VERY DIFFICULT POSITION DETERMINING WHETHER THE ELIGIBILITY CRITERIA FOR AWARD HAD BEEN MET BY PROSPECTIVE AWARDEES AND FOR DETERMINING DEFAULT CAUSES. FOR EXAMPLE, COULD A TEACHER DEFAULT FOR CAUSE; AND IF SO, WHAT BASIS WOULD DHCD HAVE TO DETERMINE THE APPROPRIATENESS OF SUCH CAUSE? THERE IS NO INCOME OR FAMILY SIZE ELIGIBILITY REQUIREMENTS FOR THIS PROGRAM, AND THE ONLY CRITERIA FOR AWARD WOULD BE DETERMINED SOLELY BY THE DCPS SUPERINTENDENT.**

**FURTHERMORE, UNDER THE PROPOSED DEFAULT PROVISION, DHCD WOULD BE IN A POSITION OF**

**MONITORING WHETHER TEACHERS WHO RECEIVE ASSISTANCE FULFILL THEIR OBLIGATION TO THE DISTRICT AND THE SOURCE OF THAT INFORMATION WOULD BE WITH DCPS.**

**DHCD WOULD BE MOST EFFECTIVE IN SUPPORTING THE HOUSING SUPPORT FOR TEACHERS PROGRAM BY USING THE DEPARTMENT'S EXISTING PROGRAMS TO SUPPLEMENT THIS INITIATIVE. THE DEPARTMENT, THROUGH ITS EMPLOYER ASSISTED HOUSING PROGRAM (EAHP), OFFERS A LOAN OF UP TO \$10,000 IN DOWN PAYMENT ASSISTANCE, AND MATCHING GRANT FUNDS UP TO \$1,500 TO TEACHERS AND OTHER DISTRICT GOVERNMENT EMPLOYEES WHO SEEK TO BECOME FIRST-TIME HOMEBUYERS IN THE DISTRICT. IN ADDITION, EAHP OFFERS REAL PROPERTY TAX REDUCTIONS AND INCOME TAX DEDUCTIONS FOR FIVE (5) YEARS. FOR TEACHERS, THIS ASSISTANCE IS AVAILABLE AT THE DATE OF APPOINTMENT. THE DEPARTMENT'S HOME PURCHASE ASSISTANCE PROGRAM (HPAP), WHICH CURRENTLY OFFERS UP TO \$77,000 IN DOWN PAYMENT AND CLOSING COST ASSISTANCE TO LOW AND MODERATE-INCOME FIRST-TIME HOMEBUYERS, CAN ALSO BE USED TO HELP ELIGIBLE TEACHERS BECOME HOMEOWNERS IN THE DISTRICT. THE DEPARTMENT ALSO PROVIDES FUNDING TO A NETWORK OF COMMUNITY-BASED ORGANIZATIONS THAT PROVIDE HOUSING COUNSELING SERVICES, INCLUDING HOMEBUYER**

**AND RENTER COUNSELING, CREDIT COUNSELING, AND BUDGET MANAGEMENT. EACH OF THESE SERVICES IS AVAILABLE TO CURRENT AND POTENTIAL TEACHERS AND CAN SUPPLEMENT THE HOUSING SUPPORT FOR TEACHERS ACT.**

**DHCD BELIEVES THE HOUSING SUPPORT FOR TEACHERS PROGRAM CAN BE AN EFFECTIVE TOOL THAT WILL ATTRACT AND RETAIN QUALIFIED MATHEMATICS, SCIENCE AND SPECIAL EDUCATION TEACHERS. HOWEVER, BECAUSE THIS PROGRAM IS AN INCENTIVE FOR DCPS AND CHARTER SCHOOL TEACHERS, THE DEPARTMENT BELIEVES IT WOULD BE ADMINISTERED MOST EFFECTIVELY BY DCPS. SINCE THE PARAMETERS OF THIS PROGRAM ARE NOT THE TYPES OF HOUSING PROGRAMS TYPICALLY ADMINISTERED BY THE DEPARTMENT, THERE IS LIMITED BENEFIT TO DHCD'S INVOLVEMENT, EXCEPT TO SUPPORT THE PROGRAM WITH EAHP AND HPAP.**

**AS A RESULT, THE DEPARTMENT FEELS THAT THE ADMINISTRATION OF SUCH FRINGE BENEFITS SHOULD MORE APPROPRIATELY BE ADMINISTERED BY DCPS HUMAN RESOURCES. IN THAT REGARD, THE DEPARTMENT IS PREPARED TO PROVIDE DCPS THE NECESSARY LEVEL OF TECHNICAL ASSISTANCE IN THE DESIGN AND IMPLEMENTATION OF THE HOUSING ASPECT OF THE**

**INCENTIVE/BENEFIT. FURTHERMORE, TO DESIGN A PROGRAM IN THE CURRENT STRUCTURE IN WHICH THE BILL IS DRAFTED WOULD LEAD BOTH DCPS AND DHCD TO BE AT RISK OF IMPROPERLY MANAGING AND MONITORING AN OTHERWISE WELL INTENDED PROGRAM.**

**THIS CONCLUDES MY FORMAL TESTIMONY, CHAIRMAN BARRY. MY STAFF AND I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU AND MEMBERS OF YOUR COMMITTEE MAY HAVE. THANK YOU.**